

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.2130 Undertakers and Funeral Directors</b>
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**TITLE 86: REVENUE  
PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.2130 Undertakers and Funeral Directors**

a) Funeral Directors -- When Liable For Tax

- 1) A funeral director is engaged in the business of selling tangible personal property to purchasers for use or consumption when he sells such items of tangible personal property as caskets, grave vaults, grave clothing and flowers to purchasers for use or consumption, and he is required to remit Retailers' Occupation Tax to the Department on his gross receipts from such sales. This is true even though he makes such sales as a part of a funeral.
- 2) In the absence of invoices and other books and records disclosing a different retail price, the Department will presume that the funeral director's retail selling price of a casket is not less than double the price at which the casket was purchased by such funeral director.
- 3) In the absence of invoices and other books and records disclosing a different retail price, the Department will presume that a funeral director's retail selling price of grave clothing, vaults, flowers and other tangible personal property is not less than the retail price of similar property when it is sold "over-the-counter" apart from the rendering of undertaking services.

b) Funeral Directors -- When Not Liable For Tax

A funeral director or undertaker is engaged also in a service occupation or profession within the meaning of Section 1 of the Retailers' Occupation Tax Act when he performs such functions as embalming bodies or when he provides livery service and other equipment in the conducting of funerals. To the extent to which he engages in such service occupation or profession, he is not engaged in the business of selling tangible personal property to purchasers for use or consumption and is not required to remit Retailers' Occupation Tax measured by any of his receipts from engaging in such service occupation or profession, including those receipts which represent the price of tangible personal property, such as embalming fluids and the like, which he transfers to others as a necessary incident to his engaging in a service occupation as a funeral director.

c) Funeral Directors -- Liability Under Service Occupation Tax

For information concerning the application of the Service Occupation Tax to the funeral

director's purchase of embalming fluid or other tangible personal property which he retransfers as an incident to rendering service, see the Service Occupation Tax Regulations.

d) "Pre-need" Contracts

When a "pre-need" contract is entered into allowing customers to pre-select cemetery or other funeral services and merchandise where the customer agrees to pay for cemetery or other funeral merchandise in installments over a period of time and the payments received are placed in trust and not paid to the seller until a certified death certificate, a death maturity form and a certificate of performance is given to the trustee, a sale at retail does not occur until the delivery of the tangible personal property. A retail sale only occurs when there is a transfer of tangible personal property. (See Section 130.201 of this Part.) If multiple items of tangible personal property are subject to the contract, delivery of one item does not trigger the taxability of all items. Only the item delivered is subject to taxation. The tax rate in effect on the date of delivery is the rate that will be applied.

(Source: Amended at 24 Ill. Reg. 15104, effective October 2, 2000)